

TRUSTEE COUNCIL RESOLUTION 06-9
ADOPTED November 14, 2006


**MONTROSE TRUSTEE COUNCIL RESOLUTION REGARDING
Funding for the Montrose Settlements Restoration Program:
Repayment of NOAA Past Damage Assessment Costs and
Transfer of Funds from Court Registry Accounts to Department of
Interior Damage Assessment and Restoration Fund**

1. The National Oceanic and Atmospheric Administration (NOAA); the State of California acting through the State Lands Commission, the Department of Parks & Recreation and the Department of Fish & Game; and the Department of the Interior, acting through the U.S. Fish & Wildlife Service and the National Park Service are the natural resource trustees (Trustees) for natural resources injured by releases of DDT and PCBs into the Southern California Bight.
2. Sums recovered in the civil action *United States, et al. v. Montrose Chemical Corp., et al.*, No. CV 90-3122-R (C.D. Cal. 1990) are being held in the Department of the Interior Natural Resource Damage Assessment and Restoration Fund (DOI Restoration Fund) and the registry accounts administered by the U.S. District Court for the Central District of California.
3. The Trustees have entered into a memorandum of agreement (MOA), as modified, that establishes a Trustee Council (Montrose Trustee Council) composed of one voting member for each trustee agency. Under the terms of that MOA, the Montrose Trustee Council is authorized to disburse funds for activities related to the damage assessment and restoration process.
4. In Trustee Council Resolution 03-1, July 1, 2003, the Trustees agreed to reimburse NOAA for past assessment costs on a deferred payment schedule of \$4,000,000 per year in 2003, 2004, 2005, 2006, and 2007, and \$2,500,000 in 2008. At this time, only the 2003 disbursement has been made, and NOAA now requests that the 2004, 2005, and 2006 payments be made, for a total payment of \$12,000,000.
5. In addition, in Trustee Council Resolution 05-3, December 19, 2005, the Trustees authorized a transfer of funds from the Court Registry Account to the DOI Restoration Fund. The amount remaining in the Court Registry Account was intended to approximate the funds still owed to NOAA plus interest. The Court Registry Account currently holds approximately \$800,000 that is not owed to NOAA.
6. As of September 2006, funds deposited in the Court Registry accounts accrued interest at a rate of approximately 3.0 percent. Funds deposited in the DOI Restoration Fund accrue interest at a

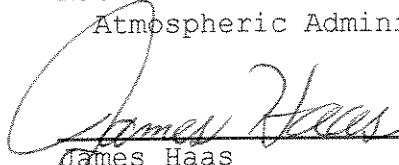
rate of approximately 5.2 percent. A transfer of non-NOAA funds from the Court Registry account to the DOI Restoration Fund will permit those funds to accrue interest at a higher rate.

7. The Montrose Trustee Council resolves unanimously to authorize the following amounts be withdrawn from the Court Registry accounts for distribution as indicated below:
- (a) LACSD Account, 153491890551, withdrawal of \$12,000,000 to be paid to NOAA.
 - (b) LACSD Account, 153491890551, withdrawal of \$800,000 for deposit in the DOI Restoration Fund.
8. The effective date of the Resolution shall be the date on which the last trustee signs this document.

CONCURRED in by the following who are the duly authorized Montrose Trustee Council Representatives:


Jennifer Boyce
National Oceanic &
Atmospheric Administration

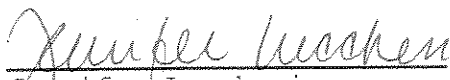
11/14/06
Date


James Haas
U.S. Fish & Wildlife Service


11/14/06
Date


Kate Faulkner
National Park Service


11/14/06
Date


Jennifer Lucchesi
State Lands Commission

11/14/06
Date


Suzanne Goode
Department of Parks &
Recreation

11-14-06
Date


Patricia Velez
Department of Fish & Game

11/14/06
Date